



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

January 15, 2009

Duane Norris, Administrative Operations Manager
Creative Communication Technologies, Inc. (CCT)
2155 East Garvey Avenue North, Suite B17
West Covina, CA 91791

Dear Mr. Norris:

RE: FINAL MONITORING VISIT REPORT – CREATIVE COMMUNICATION TECHNOLOGIES, INC. (ET08-0312)

Date of the Visit:	01-12-09
Beginning/Ending Time:	10:00 a.m. - 12:30 p.m.
Date of Last Visit:	04/15/08
Visit Location:	West Covina
Persons in attendance:	Duane Norris, Administrative Operations Manager, CCT Robert Early, Safety and Training Manager, CCT Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/26/07 – 12/25/09	Agreement Amount:	\$255,000
Training Start Date	02/12/08	No. to Retain:	75
Date Training must be completed:	09/25/09	Range of Hours:	24 - 200
Type of Trainee:	Single Employer New Hire/W2W	Weighted Average:	200 (Job 1 & 2)

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on February 8, 2008, and training began on February 12, 2008. Mr. Norris reported that all training was completed on May 13, 2008, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – December 25, 2009.

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ETP (04/15/05)

- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 200 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that there would be 75 trainees to be retained, Mr. Norris reported that only 10 trainees completed training and the 90-day retention period. This resulted in a completion rate of 13 percent with approximate earnings of \$28,968 (11 percent of the contract amount) assuming all Agreement requirements are met.

To date, your company has received \$29,240 in progress payments; therefore you will have an overpayment of \$272 if the anticipated number to retain is verified during the final fiscal closeout. Ms. Vuong informed you that all unearned payments must be returned to ETP with statutory interest computed from the first day of the month following the date the funds are received (Reference: IV, G. Unearned Payment of the ETP Agreement).

Mr. Norris informed the Analyst that he will submit the final contract closeout invoice and associated documents to ETP on or before the close of business on January 30, 2009.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE**

Mr. Norris indicated that the company made a decision to end the ETP Agreement early due to business needs. The company shifted its focus away from training to fulfillment of orders, and they did not want to hire outside trainer to continue training. He also stated that he is aware that the Contract could remain open to provide additional training hours especially since there is a potential overpayment.

According to Mr. Norris, the company was not able to provide all the training originally intended in this Agreement due to several factors. The trainer was unavailable to continue training, trainees left the company before completing retention, and the company over estimated the number of trainees in their training plan.

Mr. Early reported that although CCT did not earn 100 percent of the available funds, the training provided to the trainees in Commercial Skills was very beneficial and practical to their jobs. As a result, they are working independently and confident in their jobs

Mr. Norris also stated that he did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Reten.)	Number of Trainees Completed Retention
1	60	8	1	7	7	7
2	15	7	4	3	3	3
Totals:	75	15	5	10	10	10

The project statistics provided by your staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of five trainees who completed training and retention. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 200 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: Robert Early, Safety and Training Manager, CCT (via email)

David Guzman, Chief, ETP Program Operations Division (via email)
Kulbir Mayall, Manager, Fiscal and Certification (via email)

Master File
Project file

Date report mailed to Contractor 01/28/09